

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

TRANSFERRING BOUND PRINTED MATTER
PARCELS TO THE COMPETITIVE PRODUCT
LIST

Docket No. MC2021-78

UNITED STATES POSTAL SERVICE NOTICE OF FILING ATTACHMENT UNDER
SEAL AND MOTION FOR NON-PUBLIC TREATMENT OF RESPONSE TO
QUESTION 1 OF CHAIRMAN'S INFORMATION REQUEST NO. 5
(April 27, 2021)

The United States Postal Service hereby provides notice that it is filing Attachment A to its response to Chairman's Information Request No. 5 under seal. A redacted version of Attachment A is filed with the response. The non-public, unredacted version of Attachment A is uploaded to the Non-public USPS to PRC folder on the United States Postal Service Secure Large File Transfer Web Application portal. An application for non-public treatment follows.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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APPLICATION OF THE UNITED STATES POSTAL SERVICE FOR NON-PUBLIC TREATMENT OF MATERIALS

In accordance with 39 C.F.R. §§ 3011.200 - 3011.203, the United States Postal Service applies for non-public treatment of the information filed under seal in "NP Attachment A MC2021-78 ChIR No.5.pdf." The justification for this application required by 39 C.F.R. § 3011.201(b) follows.

(1) The rationale for claiming that the materials are non-public, including the specific statutory provision(s) supporting the claim, and an explanation justifying application of the provision(s) to the materials;

The material in question consists of non-public commercial information that would not be disclosed under good business practices. Based on its longstanding and deep familiarity with the postal business, its markets, and its competitors, the Postal Service does not believe that it or any competing enterprise would voluntarily publish this information out of a concern that doing so would be used by competitors to its commercial detriment. As such, this information is exempt from mandatory disclosure pursuant to 39 U.S.C. § 410(c)(2) and 5 U.S.C. § 552(b)(3).

(2) A statement of whether the submitter, any person other than the submitter, or both have a proprietary interest in the information contained within the non-public materials ... and the identification of an individual ... to accept actual notice of a motion related to the non-public materials....

The Postal Service has a proprietary interest in the information filed under seal. The Postal Service is not aware of any third party with a proprietary interest in the information and will update this application if it becomes aware of any third party with an interest. The individual designated to accept notice of any motion regarding this

information is Michael Gross, Attorney, Pricing and Product Compliance; 202-268-6915; Michael.I.Gross@usps.gov.

(3) A description of the information contained within the materials claimed to be non-public in a manner that, without revealing the information at issue, would allow the Commission to thoroughly evaluate the basis for the claim that the information contained within the materials are non-public;

NP Attachment A MC2021-78 ChIR No.5.pdf consists of a one-page Microsoft Word table, labeled as Attachment A in the Postal Service's responses to Chairman's Information Request No. 5, Question 1. The attachment contains the percentage of Bound Printed Matter (BPM) Parcels shipped in FY 2020 by the Postal Service's top 20 mailers, disaggregated by individual mailer; the total volume each shipped; and the volume of BPM Parcels each dropshipped.

(4) Particular identification of the nature and extent of the harm alleged and the likelihood of each harm alleged to result from disclosure;

Disclosure of confidential shipping volume information is regarded as posing a substantial risk of commercial harm. The Postal Service believes that its competitors do not disclose customer shipping volume information either.

If the information in Attachment A were disclosed, the Postal Service would likely be placed at a competitive disadvantage and suffer substantial harm. Competitors could use specific volume information in Attachment A to closely approximate individual customer costs for shipping BPM parcels and direct their sales and marketing efforts at winning the business of these customers.

Further, the release of confidential customer shipping volume information would be a significant breach of trust, and customers that lose faith in the Postal Service may

easily take their business elsewhere, as the Postal Service makes clear in its original transfer request. See Docket No. MC2021-78, Request to Transfer Bound Printed Matter Parcels to the Competitive Products List, March 26, 2021, at 11.

The consequences of a breach of trust are magnified in the circumstances here because, as is also made clear in the transfer request, a number of the customers for BPM Parcels are themselves competitors. With the release of their volume information, they, like the Postal Service, would be subject to customer poaching.

(5) At least one specific hypothetical, illustrative example of each alleged harm;

Hypothetical: Attachment A is released, and the names and volumes of the 20 largest customers of BPM Parcels in FY 2020 become publicly known. This allows competitors' analysts to match volume information with publicly available pricing information in Notice 123, and other information about customers' businesses, to both closely approximate individual customer costs for shipping BPM Parcels and assess the relative profitability of their own services on a per-piece basis. Competitors' sales and marketing teams make specific efforts at winning business by providing targeted, preferential pricing. Release of the information in Attachment A may also inform competitors' broader marketing and product decisions, also to the Postal Service's competitive detriment.

Harm: The Postal Service suffers significant commercial harm in the form of lost business.

Hypothetical: Attachment A is released, and the names and volumes of the 20 largest customers of BPM Parcels in FY 2020 become publicly known. One or more customers, reacting to the breach of confidential information and whether or not targeted by competitors, places its BPM Parcels business, and other business, with other shippers. Release of the information in Attachment A may also interfere with the negotiation or renegotiation of Negotiated Service Agreements with these customers and the willingness of other customers, present or future, to do business with the Postal Service.

Harm: The Postal Service suffers significant commercial harm in the form of lost business.

(6) The extent of protection from public disclosure deemed to be necessary;

The Postal Service maintains that the portions of the materials filed non-publicly should be withheld from all persons involved in decision-making for competing providers of delivery services, as well as their agents, consultants, and attorneys.

(7) The length of time for which non-public treatment is alleged to be necessary with justification thereof; and

Ten years. Non-public materials lose non-public status ten years after the date of filing with the Commission, unless otherwise provided by the Commission. 39 C.F.R. § 3011.401(a).

(8) Any other factors or reasons relevant to support the application.

None.

Conclusion

For the reasons discussed, the Postal Service asks that the Commission grant its application for non-public treatment of Attachment A.